



Shorlt
ME
2810
.K4S5

Shorlt Library

S 8883

13-6-27

MEMORANDUM ON

THE KETTLE RIVER RAILWAY BILL

NOW BEFORE PARLIAMENT.

MONTREAL, 14th April, 1898.

It has not been the policy of Canada to refuse charters to railways from interior points to the International Boundary Line, there connecting with railways in the United States for the development of interchange traffic, but the present application is unique in character and deserves special consideration and treatment.

Mr. Corbin has a railway extending from Nelson, in British Columbia, to Spokane, in the State of Washington, with a branch line extending from Rossland, in British Columbia, to Northport, in the State of Washington, and he now asks Parliamentary authority to construct the Kettle River Railway, which will be another branch line extending from the Boundary Creek District in British Columbia to Northport.

The Branch line from Rossland to Northport was built for the specific purpose of taking the ores from the Rossland camp to Northport for smelting; and the entire output of the largest mine in British Columbia is now being carried that way.

The Kettle River branch, when constructed, will be another feeder to the Northport smelter, and will enable Mr. Corbin to bring the copper ores of the Boundary Creek District to the Northport Smelter for treatment.

The whole length of the proposed railway, from Northport to a point near Midway, will be about 70 miles, of which about 30 will be in Canada, viz.: the portion from the Boundary Line near Cascade City to the Boundary Line near Grand Forks, about 15 miles, and the portion from the Boundary Line near Midway to the mines on Boundary Creek probably about the same distance. This line dipping in and out of Canada and serving only about 30 miles of Canadian territory is evidently not intended for the ordinary interchange of International traffic, but is projected and planned for the undoubted purpose of reaching mines which are developed or are being developed in the Boundary Creek District of British Columbia.

If these ores be taken out of Canada for treatment, the country will receive from its mines only the value represented by the labor expended in mining the ores; but, if the smelting also be done in Canada, the country will receive a very much larger advantage and profit from that source.

Smelting centres of considerable importance will be created in Canada and the whole country will participate in their trade.

Should Parliament, by its action, encourage Mr. Corbin and others to furnish easy means of export for these ores, as in the case of the Kettle River Railway, it will be found necessary in the future, to impose an export duty on ore, or, by some other means, neutralize the serious results to the country of such a railway policy.

The Canadian Pacific and Grand Trunk own a number of lines connecting with United States Railways at the frontier, but in every instance, it will be found that these lines were constructed and are operated for an interchange of traffic from which both Canada and the United States receive advantages.

The Minister of Railways urged this fact as a reason why the present charter should not be refused, but it is apparent that the conditions are not at all the same.

No doubt, if the Kettle River Railway were in existence, the Grand Trunk, by utilizing connections which cross the International Boundary twice, could reach fifteen miles of Canadian Territory with shipments from Eastern Canada, and, by crossing the boundary four times, could reach an additional fifteen miles; and there is no traffic originating within this thirty miles of territory that could, by any possibility, be shipped east over the U.S. lines coming into Canada again at the Detroit or Sarnia frontier, so that this railway cannot be intended for the interchange of traffic between British Columbia and Eastern Canada, via U. S. routes.

When it is understood that the Canadian Pacific has now nearly eight hundred miles of railway in British Columbia, and will, within a short time, have over a thousand miles of railway in that Province, the insignificance of the thirty miles against which protest is made will be appreciated, and the fallacy of arguments in favour of the project on the ground that it furnishes railway competition between British Columbia and Eastern Canada, clearly demonstrated.

Parliament should not countenance Mr. Corbin's scheme to take Canadian ores for the purpose of increasing the importance of Northport or Spokane. The value of the smelting interests to Canada is illustrated by the results in the Cities of Helena, Butte, Great Falls, Omaha and other points in the Northwestern United States.

The value of copper, silver and gold, produced by the smelters of Butte in the year 1896, was nearly forty one millions of dollars; and in 1892, when silver commanded a higher price, the value was sixty millions of dollars.

If Canadian interests be properly safe-guarded we have, within easy reach, the ore, coke, coal and limestone necessary to establish several centres of this kind in British Columbia.

It cannot be urged that the Kettle River Railway is required for the purpose of furnishing transportation for the ores of the Boundary Creek District, because the Canadian Pacific has definitely announced that it will, during the current year, build a railway through the same district, all of which will be within Canadian territory. This railway will be an extension of the Crow's Nest Pass line in which the country invested a large sum of money for the very purpose of securing and holding the

business that is now threatened. Every ton of ore taken by Mr. Corbin from British Columbia to the United States for treatment serves to lessen the importance of the advantages that should result to the country from that investment.

It will be remembered that in making the arrangement with the C. P. R. about the Crow's Nest Railway, the Government took every possible precaution to prevent excessive freight charges by retaining within its control the rates and tolls, not only on the Crow's Nest line, but between any point on that line or any other line owned, leased or controlled by the Company south of its main line in British Columbia and any other point in Canada.

It is respectfully submitted that, under the circumstances, the Kettle River Valley Railway Company's application for a charter should not be granted.

THOS. G. SHAUGHNESSY,
Vice President Canadian Pacific Railway Co'y.